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August 19, 2008

Honorable Gloria M. Burns
United States Bankruptcy Court
Mitchell H. Cohen US Courthouse
400 Cooper Street
Camden, NJ 08101

RE: Accuweld/Shapes/Arch Holdings, LLC
Case No. 08-14631

Dear Judge Burns:

This firm represents National City Commercial Capital Company, LLC ("National City") in this case. The debtor ("Accuweld") sought to assume the National City contract and we objected to the proposed cure amount. The hearing of this matter is presently scheduled for August 25, 2008 at 2:00 p.m. Please accept this additional submission regarding the computations supporting our prior papers.

A basic misunderstanding as to the nature of the transaction at issue appears to be causing the parties' differing views of the cure amount (which debtor lists as zero). This is not a routine contract where one places an order and then pays (or fails to pay) each invoice. (A true and accurate copy of the Material Usage Agreement with Schedules 1 and B is attached hereto as Exhibit A.) Rather, pursuant to paragraph 2 of page one of the agreement and Schedule 1, the agreement requires Accuweld to purchase a minimum amount of material each year. Thus, even if Accuweld is current post-petition in terms of paying National City invoices, it is still not current. This is because Accuweld has been failing to order the minimum amount of material as mandated by the agreement. So the fact that invoices were paid for amounts ordered does not mean that Accuweld has met its full obligations.

The contract requires that Accuweld order annually 857,142 feet of material as per paragraph 2 of page 1 of the agreement. That equates to 71,428.50 per month. The monthly payment based on that requirement is about \$4,112.32 as per Schedule 1. This chart demonstrates the purchases, shortfalls and the amounts due:

	Annual Purchases	Shortfall in feet	Dollar Value of Shortfall
Year 1	821,990	(35,152)	(\$2,023.79)
Year 2	655,440	(201,702)	(\$11,612.50)
Year 3	455,727	(401,415)	(\$23,110.48)
Year 4	<u>44,767</u>	<u>(169,519)</u>	<u>(\$9,759.61)</u>
(pro-rated to 7/31/08)			
	1,977,924	(807,788)	(\$46,506.38)

Additionally, there was additional shortfall of 43,213 feet which totals \$2,487.88 plus a \$50 charge. Thus, the total post-petition due is \$48,938.20 (\$46,506.38 plus \$2,487.88 plus \$50). However, National City is holding a deposit of \$3,000 which can be set off thereby decreasing the amount due to \$45,938.20. Also, there is also due pre-petition the sum of \$2,489.07. It should be noted that the contract expires in October 2008.

For these reasons, it is respectfully requested that National City's objection be sustained and that Accuweld be directed to pay National City the full cure amounts due as set forth above.

Respectfully submitted,

/s/ Frank Peretore, Esq.

Frank Peretore

FP:mm

cc: Client (via email)
Mark Felger, Esq. (via electronic filing)